

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 65th LEGISLATURE - REGULAR SESSION**

#### **COMMITTEE ON TAXATION**

**Call to Order:** Chair Jeff Essmann, on March 14, 2017 at 8:00 AM, in Room 152 Capitol

#### **ROLL CALL**

**Members Present:**

Rep. Jeff Essmann, Chair (R)  
Rep. Kelly Flynn, Vice Chair (R)  
Rep. Tom Jacobson, Vice Chair (D)  
Rep. Kim Abbott (D)  
Rep. Becky Beard (R)  
Rep. Zach Brown (D)  
Rep. Mary Ann Dunwell (D)  
Rep. Dave Fern (D)  
Rep. Wylie Galt (R)  
Rep. Adam Hertz (R)  
Rep. George G. Kipp III (D)  
Rep. Steve Lavin (R)  
Rep. James O'Hara (R)  
Rep. Alan Redfield (R)  
Rep. Bridget Smith (D)  
Rep. Tom Welch (R)  
Rep. Kerry White (R)

**Members Excused:**

Rep. Ron Ehli (R)  
Rep. Jim Hamilton (D)  
Rep. Greg Hertz (R)

**Members Absent:** None

**Staff Present:** Margot Miltenberger, Committee Secretary  
Megan Moore, Legislative Branch

**Audio Committees:** These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

**Committee Business Summary:**

Hearing & Date Posted: SB 126, 3/8/2017; HB 511, 3/8/2017; HB 573, 3/8/2017; HB 577,  
3/9/2017

**HEARING ON SB 126**

**Opening Statement by Sponsor:**

00:02:36 Sen. Keith Regier (R), SD 3, opened the hearing on SB 126, Revise laws related to property valuation appeal process.

[EXHIBIT\(tah53a01\)](#)

[EXHIBIT\(tah53a02\)](#)

**Proponents:**

00:10:09 Bob Story, Montana Taxpayers Association (Montax)

00:11:41 Bridger Mahlum, Montana Chamber of Commerce (MCC)

00:12:58 Ronda Wiggers, Montana County Treasurers Association (MCTA)

**Opponents:**

00:14:19 Director Mike Kadas, Department of Revenue (DOR)

**Informational Witnesses:** None

**Questions from Committee Members and Responses:**

00:17:32 Rep. Fern

00:18:50 Sen. K. Regier

00:19:01 Rep. Dunwell

00:19:34 Sen. K. Regier

00:19:45 Rep. Dunwell

00:20:38 Dan Whyte, Department of Revenue (DOR)

00:22:13 Rep. Flynn

00:22:48 Director Mike Kadas, DOR

00:23:20 Chair Essmann

00:24:10 Sen. K. Regier

00:24:17 Rep. Kipp III

00:26:38 Director Mike Kadas, DOR

**Closing by Sponsor:**

00:27:32 Sen. K. Regier

00:30:20 Chair Essmann relinquished the chair to Vice Chair Jacobson

**HEARING ON HB 577**

**Opening Statement by Sponsor:**

00:30:46 Rep. Dave Fern (D), HD 5, opened the hearing on HB 577, Provide for local option infrastructure tax.

**Proponents:**

00:38:00 Darryl James, Montana Infrastructure Coalition (MIC)

[EXHIBIT\(tah53a03\)](#)

00:46:56 Chuck Stearns, Self

[EXHIBIT\(tah53a04\)](#)

00:51:04 Chris Kukulski, Bozeman

**EXHIBIT(tah53a05)**

00:57:19 Doug Russell, Kalispell

01:00:36 Mayor Bob Kelly, Great Falls

01:01:21 Bill Cole, Billings Chamber of Commerce

01:04:25 Richard Clark, Billings

01:05:37 John MacDonald, Missoula

01:06:32 Tim Burton, Montana League of Cities and Towns (MLCT)

01:07:42 Daryl Schliem, Bozeman Chamber of Commerce

01:08:35 Ron Alles, Helena

01:08:50 Bridger Mahlum, Montana Chamber of Commerce (MCC)

**EXHIBIT(tah53a06)**

01:09:18 Bob Gilbert, Glendive, Colstrip

01:09:34 Dan Brooks, Authorized Community Transformation Act Coalition

01:09:50 Steve Wade, Montana Contractors Association

01:10:06 Jennifer James, American Institute of Architects (AIA), Montana Society of Engineers (MSE), American Society of Civil Engineers (ASCE)

01:10:22 Jay Skoog, American Council of Engineering Companies (ACEC)

01:10:41 Jason Rittal, Montana Economic Developers Association (MEDA)

**Opponents:**

01:11:10 Bob Story, Montana Taxpayers Association (Montax)

01:16:27 Brad Griffin, Montana Retail Association, Montana Restaurant Association (MRA)

01:17:25 John Alkee, NorthWestern Energy (NWE)

**EXHIBIT(tah53a07)**

01:22:42 Bruce Knudsen, Montana Automobile Dealers Association (MTADA)

01:23:28 Jarrin Burke, Enterprise Rent-A-Car

01:25:27 Brad Longcake, Montana Petroleum Marketers & Convenience Store Association (MPMCSA)

01:29:03 Geoff Feiss, Montana Telecommunication Association (MTA), Verizon Wireless

**EXHIBIT(tah53a08)**

01:30:42 Riley Johnson, National Federation of Independent Businesses

01:31:15 Gary Forrester, Montana Dakota Utilities (MDU)

01:31:57 Mark Baker, Charter Communications, AT&T

01:32:53 John Bemis, Century Link

**Informational Witnesses:**

01:34:50 Aaron McNay, Department of Revenue (DOR)

**Questions from Committee Members and Responses:**

01:35:10 Rep. Z. Brown

01:36:00 Chris Kukulski, Bozeman

01:36:50 Rep. Z. Brown

01:38:08 Darryl James, MIC

01:41:01 Rep. A. Hertz

01:42:21 Rep. Fern

01:43:32 Rep. A. Hertz  
 01:45:48 Darryl James, MIC  
 01:46:47 Rep. Beard  
 01:49:28 Tim Burton, MLCT  
 01:52:23 Rep. White  
 01:54:23 Aaron McNay, DOR  
 01:55:09 Rep. White  
 01:55:52 Rep. Fern  
 01:56:29 Rep. White  
 01:56:49 Chuck Stearns, Self  
 01:58:18 Rep. Flynn  
 02:03:21 Rep. Fern  
 02:03:58 Rep. G. Hertz  
 02:07:05 Chuck Stearns, Self  
 02:07:16 Rep. G. Hertz  
 02:07:59 Rep. Fern  
 02:08:44 Rep. Jacobson  
 02:08:56 Darryl James, MIC

**EXHIBIT(tah53a09)**

02:10:00 Rep. Jacobson  
 02:10:14 Darryl James, MIC  
 02:11:01 Rep. Jacobson  
 02:11:27 Chris Kukulski, Bozeman  
 02:12:24 Rep. Jacobson  
 02:12:37 Rep. Fern  
 02:13:47 Rep. Jacobson  
 02:15:06 Chuck Stearns, Self  
 02:15:32 Rep. Essmann  
 02:20:43 Darryl James, MIC  
 02:21:09 Rep. Flynn  
 02:22:00 Rep. Fern

**Closing by Sponsor:**

02:23:10 Rep. Fern

02:28:24 Recessed

02:37:50 Reconvened

**HEARING ON HB 511**

**Opening Statement by Sponsor:**

02:38:05 Rep. Rob Cook (R), HD 18, opened the hearing on HB 511, Revise income tax laws related to businesses.

**Proponents:**

02:40:05 Lee Baerlocher, Department of Revenue (DOR)

**EXHIBIT(tah53a10)**

**EXHIBIT(tah53a11)**

**Opponents:**

02:53:17 Bob Story, Montana Taxpayers Association (Montax)  
02:55:53 Bridger Mahlum, Montana Chamber of Commerce (MCC)

**Informational Witnesses:**

02:57:08 Brian Staley, Department of Revenue (DOR)

**Questions from Committee Members and Responses:**

02:57:27 Rep. Fern  
02:57:56 Lee Baerlocher, DOR  
02:58:47 Rep. G. Hertz  
03:03:29 Lee Baerlocher, DOR  
03:04:27 Rep. Flynn  
03:06:24 Lee Baerlocher, DOR  
03:06:42 Chair Essmann  
03:07:11 Lee Baerlocher, DOR  
03:07:51 Chair Essmann  
03:08:08 Brian Staley, DOR  
03:09:25 Rep. G. Hertz  
03:09:56 Lee Baerlocher, DOR  
03:10:42 Rep. G. Hertz  
03:12:07 Brian Staley, DOR  
03:12:21 Rep. White  
03:13:10 Rep. Cook

**Closing by Sponsor:**

03:13:47 Rep. Cook

**HEARING ON HB 573****Opening Statement by Sponsor:**

03:14:58 Rep. Rob Cook (R), HD 18, opened the hearing on HB 573, Revise education funding laws related to tax increment financing.

**Proponents:**

03:16:10 Kevin Nelson, Self

[EXHIBIT\(tah53a12\)](#)

**Opponents:**

03:21:51 Dan Lloyd, Governor's Office of Economic Development (GOED)  
03:23:18 Chris Behan, Missoula Redevelopment Agency (MRA)  
03:28:38 Jason Rittal, Fallon County, Montana Economic Developers Association (MEDA),  
Montana Association of Counties (MACo)  
03:29:56 Julie Foster, Ravalli County

[EXHIBIT\(tah53a13\)](#)

03:36:06 Doug Russell, Kalispell  
03:38:24 Chris Kukulski, Bozeman  
03:41:17 Jay Skoog, American Council of Engineering Companies of Montana (ACEC)  
03:41:48 Chuck Stearns, Self

03:43:20 Tim Burton, Montana League of Cities and Towns (MLCT)  
03:45:41 Bridger Mahlum, Montana Chamber of Commerce (MCC)

**Informational Witnesses:**

03:46:53 Ed Caplis, Department of Revenue (DOR)

**Questions from Committee Members and Responses:**

03:47:11 Rep. Fern  
03:47:41 Chris Kukulski, Bozeman  
03:49:24 Chair Essmann  
03:49:30 Chris Kukulski  
03:49:54 Rep. Dunwell  
03:50:28 Ed Caplis, DOR  
03:51:26 Rep. Flynn  
03:52:19 Rep. Cook  
03:52:34 Rep. Flynn  
03:54:35 Tim Burton, MLCT  
03:56:26 Chair Essmann  
03:56:44 Rep. Cook  
03:56:55 Chair Essmann  
03:58:00 Chris Behan, MRA

**Closing by Sponsor:**

03:58:37 Rep. Cook

**ADJOURNMENT**

Adjournment: 04:02:45

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Margot Miltenberger, Secretary

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Additional Documents:

**EXHIBIT**([tah53aad.pdf](#))